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STATE PASS OPIC FOR DHOWARD, ZHAN, MSTUCKART, JEDWARDS

E.O. 12958: N/A
TAGS: [EIND](#) [EINV](#) [ECON](#) [NI](#)
SUBJECT: NIGERIA: APPLICATION FOR OPIC FINANCE: PTS MANAGEMENT

Ref: A. State 94640

¶1. (U) PTS Equipment Ltd told EconOff recently that the company is targeting its business operations in Lagos and its neighboring states, including Ogun, Osun, and Ondo. EconOff viewed eight pieces of construction machinery at the company's equipment yard in Lekki, all of which appeared to be in good operating condition. The company says it keeps additional equipment at another location on the Lagos mainland. The operation appears to be at the start-up phase.

¶2. (U) Lagos State, Nigeria's economic center, is in the midst of a construction boom. There is a high level of current and planned public and private investment in infrastructure (including roads, seaports, and industrial zones) and commercial and residential real estate. The Lagos State government and the Federal Government are publicly committed to additional infrastructure investment. The Nigerian federal government is eager to attract investment in construction of new power generation facilities. Dozens of new power plants will be required over the next decade to supply Nigeria with sufficient electrical power.

¶3. (U) Future investment in capital projects may be dependent on the price of oil; the current high price of oil may be driving much of the current infrastructure development, especially residential and commercial real estate development. Lagos and Ogun States are free of the militant violence that has plagued the oil producing regions. Ondo State has seen some kidnappings in its small oil producing region, but far fewer than neighboring Delta State. Due to specific threats against the company the German construction firm Julius Berger has considered pulling out of the core Niger Delta States of Bayelsa, Rivers and Delta and focusing its business operation in Lagos and Abuja. According to recent press report the company may return to the Delta.

¶4. (U) Post has no information on possible ties to terrorism, corruption, or money laundering, on the part of the company or its management team.

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